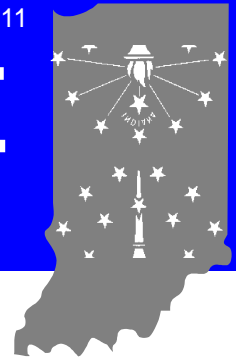


The INTERCHANGE

Monthly Newsletter for State Employees Prepared by State Employees



Voluntary Contribution Joins Pre-tax Options for Some State Employees

Are you employed by the State? Have you been a member of the Public Employees' Retirement Fund (PERF) for at least 5 years? Do you have the wherewithal to do without immediate access to up to 10% of your gross income? If you answered yes to all those questions, you might want to consider taking advantage of a new pre-tax voluntary contribution option to your retirement funds at PERF.

This summer, the State and PERF arranged for a new option that will allow eligible PERF members to make voluntary contributions to their Annuity Savings Accounts (ASA) on a pre-tax basis. Since 2001, State employees have been able to make ASA voluntary contributions **post-tax**. That means you pay income tax on your gross wages, *then* put something into your PERF retirement account. Now, if you are eligible, you can choose to make a contribution of up to 10% on a **pre-tax** basis. In simple terms, you save the money before you pay income taxes on it. Taxes are paid after you retire. Pre-tax is what happens with contributions to IRA's, 401K's, and all those other alphabet-soup-named choices we have to learn about in order to plan for retirement.

Only those who have 5 years of PERF creditable service are eligible to make this choice. If you hit that five year mark by June 30, 2003, you have until August 31, 2005 to decide if you want to make this kind of contribution. That same two-year window applies every year. If you reach 5 years between July 1, 2003 and June 30, 2004, you have until August 31, 2006 to choose, and so on.

The pre-tax contribution can be made in addition to any post-tax contributions you might be making now or choose to make in the future. There is a significant tax code restriction on this choice, however. Once you declare the percentage you wish to "contribute" pre-tax, you CANNOT change that percentage as long as you work for the same employer. If you leave and come back, the same percentage will apply. You cannot cancel the election once it has been started. If your circumstances change, like a major illness or job loss or pay cut, you must continue to make the ASA pre-tax contribution at the same percentage. If you are making both kinds of contributions, you could adjust your post-tax deductions in the event of an emergency, but you cannot make any pre-tax changes. Obviously, this option is best suited to those who can predict their expenses, are nearing retirement, or have sufficient disposable income.

Voluntary contributions – whether pre-tax or post-tax – are divided in the same percentages as your current investment directive for your 3% mandatory pre-tax Annuity Savings Account benefit. Most employees choose PERF's Guaranteed Fund, which paid an annualized rate of 7.25% in fiscal year 2003.

Because of the restrictions on changing contribution levels, this option requires very careful consideration of both present and future financial needs. For more complete information on this new option, check the PERF website: www.in.gov/perf/voluntary_contributions/pdf/PERF_Member_FAQ090803.pdf. If you have additional questions, contact your personnel department.

Fall/Winter Open Enrollment

It's that time of year again!

The open enrollment period is different this year! The fall/winter open enrollment period will be conducted through the PeopleSoft automated self-service process. The open enrollment period this year will be held from November 9, 2003-December 1, 2003 for all state employees eligible for benefits. Every employee will be required to use the self-service process to review their coverage, make changes, and/or elect to remain with their current coverage. Employees will be able to access self-service from

work, home, or any other location with internet access, seven days a week, 24 hours a day.

Health Care Promotions will be held in the Government Center for State employees on Wednesday, November 5, 2003 in the South Cafeteria and Thursday, November 6, 2003 in the North Cafeteria from 11AM-1:30PM. Representatives from carriers serving Marion County and surrounding areas will be present to answer employee questions.

Governor Joseph E. Kernan Names Katherine Davis as Lieutenant Governor

Appointment was Confirmed by Legislature on October 20, 2003

NAME: Katherine Lyon Davis.

AGE: 47; born June 24, 1956, in Boston.

HOME: Indianapolis.

EDUCATION: Bachelor's degree in mechanical engineering, Massachusetts Institute of Technology, 1978; master's degree in business administration, Harvard University, 1982.

EXPERIENCE: Management positions, Cummins Engine Co. of Columbus, Ind., 1982-1989; deputy commissioner, Indiana Department of Transportation, 1989-95; director, Indiana State Budget Agency, 1995-97; secretary, Indiana Family and Social Services Administration, 1997-98; manager, Indiana 21st Century Research and Technology Fund, 1999; controller, city of Indianapolis, 2000-present.

OTHER: Board member, St. Vincent New Hope and Noble of Indiana; legislative team leader for Council of Volunteers and Organizations for Hoosiers with Disabilities, 1998-99.

FAMILY: Married to John Davis since 1992; daughter Mollie, 8, and stepson Marshall, 20.

Lieutenant Governor Katherine Davis, the first woman to hold this position, will perform the following duties:

The Indiana Constitution provides two key roles for the lieutenant governor:

- To preside over the Senate during its sessions and cast deciding votes.
- To act as governor if the governor is unable to discharge the duties of the office or become governor if the office falls vacant.

Other duties:

- Director of the Department of Commerce
- Commissioner of Agriculture
- Chairman of the Indiana Counterterrorism and Security Council, the Indiana Housing Finance Authority and the Indiana Energy Policy Forum
- Member of the Small Business Development Corporation, the Air Pollution Control Board, the Natural Resources Committee, the State Office Building Commission and the Recycling and Energy Development Board



Make Every Day America Recycles Day!

America Recycles Day, celebrated nationally on November 15, reminds us that recycling is a "cycle"... once used, old things are collected for recycling, then processed and made into new products which people buy and hopefully recycle again after use! The State of Indiana purchases a wide range of quality recycled-content products which are used every day to do state business. For example, copy and printer paper purchased by the State is made from 30% post-consumer recycled fiber! Buying Recycled supports Indiana's many recycling businesses, saves energy and keeps materials out of disposal facilities.

America Recycles Day: Indiana2003 events include a "Recycled" Art Exhibition, a juried show of Indiana artwork made from materials that otherwise would be discarded. The Exhibition, sponsored by Capitol City Metals, will be shown at Joe Reuzar's Deli in the historic Fountain Square Art District of Indianapolis. The opening reception will take place the evening of Friday,

November 28. The Exhibition will be up through January 7, 2004. Children can participate in the America Recycles Day recycled-content product Scavenger Hunt, sponsored by Abitibi Paper Recycling. For details, visit www.indianarecycling.org.

You can enter to win a new Ford Focus PZEV (partial zero emissions vehicle) in the national America Recycles Day Pledge Card Drawing. Visit www.americarecyclesday.org/ before November 15, 2003 and click on the "Enter Contest" link on the left side of the page. Fill out the online entry, indicating what you will do to support recycling. Find out more about all of the national prizes by clicking the "National Prizes" link at www.americarecyclesday.org.

America Recycles Day reminds us not only to collect used items for recycling, but also to buy recycled items to keep recycling working!

Over 15,000 Items Collected for Indiana Children at O'Bannon's Services

Over 15,000 school and art supply items were collected at the visitations and memorial services held for the late Governor Frank O'Bannon in both Indianapolis and Corydon in September. The O'Bannon family requested donations of school and art supplies in lieu of flowers. Over 14,000 school and art supply items, along with a \$1000 check, were donated to Teachers Treasures, an organization that



serves the educational and creative needs of children in the greater Indianapolis area. These supplies will be distributed to schools throughout Central Indiana. In addition, 1,073 school and art supply items were donated to Dare to Care Food Bank of Louisville, Kentucky, the nation's largest hunger-relief organization. These items will be distributed in Harrison, Clark and Floyd Counties.

Fleet Purchasing Program Available to all State Employees

A new and hassle free way to purchase a new or pre-owned vehicle is now available to state employees and their family members. Through this Program, you qualify to purchase any new vehicle at factory invoice minus all available rebates at the time of delivery. Offer excludes Viper, Crossfire, and Pacifica.

Other great savings are waiting for you with this great program, such as service discounts, parts discounts, and thousands of dollars in savings on pre-owned and new vehicles.

Browse our entire inventory, new and pre-owned, at www.communitychrysler.net. To take advantage of this great opportunity, you must present the coupon provided, or show your state employee ID or a current pay stub.

Contact Gary Daniel or Ryan Neely of Community Chrysler, Dodge, Jeep at 888-333-3954, fax a request to 765-349-4208, or e-mail rneely@communitychrysler.net.

OIL CHANGE DISCOUNTS!

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State Employees May Contribute to Foundation Honoring O'Bannon's Memory Through the SECC

The Indianapolis Star announced that "A foundation in the name of the late Governor Frank O'Bannon has been established to raise money and provide grants to causes important to him." (September 16, 2003 edition) Education, early childhood development, and community development will likely garner the foundation's attention.

State employees wishing to contribute to the O'Bannon Foundation through the State Employees' Community Campaign (SECC) may do so by using **SECC Code 561000** with the dollar amount they wish to donate. Contributions may be made by payroll deduction as well as one-time gifts. Please contact your agencies SECC Coordinator with questions.

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TRAINING PROGRAMS

December 2003

Date	Time	Class	Cost
4	9:00 - 4:00	ABC's of Discrimination	Free
4	9:00 - 12:00	Selection and Interviewing	Free
9	8:30 - 1:00	Basic Driver Improvement	Free*
10	9:00 - 12:00	AAP Monitoring Report**	Free
10	9:00 - 12:00	Short/Long Term Disability Workers' Compensation	Free
10	10:00 - 11:00	Ethics Orientation	Free
11	9:00 - 12:00	Decentralized Hiring**	Free
11	10:00 - 12:30	Ethics for Supervisors & Managers	Free
17	1:00 - 3:30	Hoosier S.T.A.R.T. "Distribution Options"	Free
18	8:30 - 4:30	Pre-Retirement Seminar	Free

NOTE: All classes will be held in the State Training Center except where noted.

**These classes are only offered to SUPERVISOR/MANAGERS AND/OR HUMAN RESOURCES PERSONNEL.

Classes that require a fee are noted. Obtain your supervisor's approval to attend.

For more information or to register, you will need to contact your agency training contact person (ATCP).

Please visit <http://www.in.gov/jobs/training&development/Ohomepag.htm> to check for calendar updates before registering.

November 10th Brown Bag Event: "What Abe Martin Says"

On Monday, November 10 at noon, Gilbert Weldy will give a lunchtime talk on "What Abe Martin Says." Abe Martin, the creation of Hoosier writer Kin Hubbard, was hugely popular in the first half of the 20th century for his folksy sayings and back

home wisdom. Bring your lunch, and come listen and enjoy! The event will take place in the Indiana Authors' Room, 2nd floor of the Indiana State Library. For more information, call (317) 232-3734.

Happy Thanksgiving!

The Interchange



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